The first thing to point out is that Texan job creation has far outpaced the national average. The number of jobs in Texas has grown by a truly impressive 31.5 percent since 1995, compared with just 12 percent nationwide, according to Bureau of Labor Statistics data. Texas has also lapped California, an important economic rival and the only state with a larger population. The Texas employment situation after the financial crisis was far less spectacular, of course, with the number of jobs growing just 2.4 percent from 2009 through 2011. But that was still six times the anemic 0.4 percent growth rate of the overall American economy.

The National Establishment Time-Series (NETS) Database, which provides detailed information on job creation and loss for firms headquartered in each state, can tell us more about Texas's employment growth. NETS data are divided into two periods—the first from 1995 to 2002, the second from 2002 to 2009. During the 2002–09 period, small businesses of fewer than ten employees were the Texas employment engine, adding nearly 800,000 new jobs; of those, about three-quarters were in firms with two to nine employees. Larger Texas companies—those with 500 or more employees—lost a significant number of jobs over this span, and medium-size firms likewise shrank, trends that also showed up on the national level.

Bureau of Labor Statistics data shows that many of the new Texas jobs paid well. Indeed, Texas did comparatively better than the rest of the United States from 2002 through 2011. For industries paying over 150 percent of the average American wage, Texas could claim 216,000 extra jobs; the rest of the country added 495,000. In other words, the Lone Star State, with 8 percent of the U.S. population, created nearly a third of the country's highest-paying positions. Texas also added 49,000 positions paying 125 percent to 150 percent of the U.S. average; the rest of the country lost 174,000 jobs in that category. Two sectors in which Texas employment did particularly well during the same period were natural-resource extraction (in fact, the state gained 80 percent of all new jobs in the country in that field) and professional, scientific, and technical positions. Both job categories boast average wages far higher than the national overall average. As happens whenever an economy grows, Texas also added hundreds of thousands of positions in food services, health care, and other lower-paid fields, in addition to the more lucrative jobs. Texas did lose 10,000 construction jobs, but that was a modest downturn, in light of the massive national slowdown in building caused by the crisis of 2008.

Vital to the economic health of Texas is that people are moving to its cities in droves. In 2011, Houston surpassed Philadelphia in population and became the country's fifth-biggest metropolitan region, with 6.1 million people. Dallas-Fort Worth, with 6.5 million, was already the country's fourth-biggest. The two cities trail only New York City, Los Angeles, and Chicago, marking the first time that a single state has had two metros in the country's top five since the Census Bureau began designating these areas a century ago. Meanwhile, of all metropolitan areas in the country with more than 1 million residents, the fastest-growing from 2010 to 2011 was Austin.

Though the national downturn has slowed job creation in Texas's cities, they're still adding jobs, sometimes briskly, unlike many other American metropolitan regions. Austin's strong information-technology sector and government-related work (the city is Texas's state capital) helped propel 4.3 percent job growth from 2009 through 2011 (and 15.3 percent growth from 2002 through 2009). The number of jobs in McAllen, which benefits from increased trade with Mexico under the North American Free Trade Agreement, grew 3.7 percent. Job growth in economically diverse Houston has matched or exceeded the state rate since 1995.

What accounts for the resilience of the Texas economy, which has outperformed the rest of the country not only over the long term but during the Great Recession as well? A pro-business climate has unquestionably been a substantial advantage. In its annual ranking of business environments, Chief Executive has named Texas the most growth-friendly state for eight years in a row. (California has been last for the same eight years.) The reasons included low taxes and sensible regulations; a high-quality workforce (Texas ranked second only to Utah in that category in 2012); and a pleasant living environment (an eighth-place finish, slightly below sixth-place Florida but, perhaps surprisingly, far better than 28th-place California).

Part of the explanation for the high living-environment score is doubtless Texas's low cost of living. In 2011, the U.S. Bureau of Economic Analysis put Texas's ''regional price parity,'' a measurement of the price level of goods in an area, at 97.1, a bit lower than the national level of 100 and far lower than the California level of 114.8. Adjusted for cost of living, Texas's per-capita income is higher than California's and nearly as high as New York's. Factor in state and local taxes, and Texas pulls ahead of New York.

More than three-quarters of the cost-of-living difference between Texas and California can be explained by housing costs. Texas mostly dodged the real-estate bubble of the 2000s: the affordability of houses in large metro areas spiked in America as a whole but rose only modestly in Texas. A major reason that Texas real estate is so affordable is that the state lacks the draconian land-use restrictions that drive California housing prices into the stratosphere. The affordable housing attracts both people and businesses. Since 2000, 1 million more people have moved to Texas from other states than have left.

All these considerations suggest that Texas is poised for further growth. And a final reason for Texans to be optimistic is that a major expansion of the Panama Canal will be completed in 2014. That could bolster the Lone Star State's success by rerouting Asian commerce from West Coast ports to Texas alternatives, which are closer to the nation's major markets.

Mr. CORNYN. With that, Madam President, I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DURBIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DURBIN. Madam President, I ask unanimous consent to speak as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FOR-PROFIT COLLEGES

Mr. DURBIN. Madam President, the President's State of the Union Address is an annual event where each President comes forward, talks about the agenda, the plans, and what we hope to achieve in Washington during the course of the next year.

There were many elements in the President's State of the Union Address last night. There was one in particular I was struck by. He talked about establishing a college scorecard. He talked about the challenges families are facing across America paying for college education. It has become an enormous expense. It is the fastest growing debt in America—$1 trillion in student loan debt.

Sadly, many students are getting in too deeply. They are getting too far in debt, and they may not be able to get a job to pay it back. Many students are defaulting on those loans because they don't have an income. Sometimes their parents help them go to college and sign the papers. Sometimes the efforts to collect the money go beyond the defaulting student to the parents—in fact, sometimes to grandparents.

There was a case reported of a grandmother who wanted to help her granddaughter, so she signed the student loan application. The granddaughter didn't get a job, perhaps didn't finish school. There came a time when, in collecting the student loan, they actually garnished the Social Security check of the grandmother. That is the most extreme case I have heard.

When it comes to indebtedness and student loan default, there are different categories of debt. Some students are lucky and don't have to borrow a penny. Most do, and those who borrow money, we find, borrow the lowest average amount from public universities—community colleges and public schools. Next come private universities and then a special category—the for-profit colleges. This is an incredible industry of which most Americans are not aware.

When we think of for-profit schools, we should remember three things, three numbers. Twelve percent of students coming out of high school go to for-profit schools. The biggest ones, the most well-known schools, include the University of Phoenix, DeVry University, and Kaplan University. There are a number of names which, when we hear them, we say: I have heard a lot about those. They advertise a lot.

Twelve percent of the students coming out of high school go to those for-profit schools. However, those for-profit schools receive 25 percent of all of the Federal aid to education—12 percent of the students, 25 percent of the Federal aid. Why? Because they are expensive. For-profit schools are very expensive, and the tuition is high. So a student, to be able to go there, may qualify for a Pell grant, which is an actual grant of money for students from low-income families. Then, for loans beyond that—and it turns out that 25 percent of all of the Federal aid to education goes to for-profit colleges that have 12 percent of the students.

That is not the most important number to remember—not 12, not 25, but this final number: 47 percent of all the student loan defaults come out of for-profit schools, which means that students who start at those schools either don't finish and then can't pay back their loans or finish and can't find a job to pay back their loans. For-profits schools, 47 percent of the student loans default.

The stories are heartbreaking. Imagine, 19, 20, 21 years old, papers are being shoved across the desk in the financial office at a for-profit school, and a student is basically told: Well, you can start school next week; all you have to do is sign up for these loans.

What is a student to think? I have been told my whole life to go to college. Mom and dad are counting on me to go to college. This is the way to get a good job. I will sign up. I want to start.

What the student doesn't know is whether that school is worth the money. How could they know? I think back to those days when I started college. I hate to go back that far in time, but I didn't know whether borrowing $1,000 in those days was a good idea or a bad idea. I knew a lot of my fellow students were borrowing. But now students are getting in much more deeply. It isn't just $1,000 or $5,000 or even $10,000. At the end of the day, it turns out to be much, much more.

I have come to the floor a number of times to tell the stories about these for-profit schools to warn students and their families to be careful. Some of these schools are good; many of them are awful—just plain awful.

Last night the President said he wanted to create a college scorecard. I want to hear more. I hope there will be a scorecard and a Web site, maybe, where students—high school students or others across America—can take a look at every college opportunity, not just their pretty catalogs or their great Web sites but to find out how many of these students who graduate from this college actually get a job, and those who get a job, how much do they actually get paid. Of the students who borrow money to go to this college, how much do they borrow? How many of them fail to make the payments on their student loans later in life?

Oh, there is one important thing I left out. Here is what you are going to learn about loans to students. They are different than other types of loans. You see, if I decide to buy a home and a car and a boat and then lose my job and go broke and cannot pay them back, under the most extreme cases I can go to court and put all my debts on the table in front of a judge and say: Here is all the money I owe and here is all the money I have. I do not know where to turn—and go through something called bankruptcy.

In bankruptcy, the judge says: Well—let's say you have $10,000 in the bank and you owe $50,000. You are going to lose your $10,000. You cannot pay back the $50,000, but you no longer have an obligation to pay it. You are judged bankrupt. You start over, wipe the slate clean.

Not a lot of people do that, but when things get really bad, they have to. Guess what. When it comes to student loans, they are not dischargeable in bankruptcy. The debt that a 19-, 20-, and 21-year-old student signs up for is a debt for life. They pay it back forever—until it is paid. So these are serious debt obligations, and it is hard to imagine that many young people without a great deal of life experience really know what is too much debt, really know whether that school is any good.

Let me tell you a story of one student.

Ramon Nieves attended the American Intercontinental University, a for-profit college owned by Career Education Corporation. Like many who attend for-profit colleges, Ramon was the first person in his family to go to college. The recruiters at these for-profit schools look for these students.

Without guidance from his family—a family that had no experience with college—he trusted the school when they advised him about student loans. He said the school just told him to sign his name. That is all he had to do. They never explained the difference between the kinds of loans that students could take out; that there are government loans, Federal loans, and then there are loans from private financial institutions. He was never told what his balance would be—how much he owed—or what he could expect his monthly payments to be when it was all over.

He signed up. He wanted to get started with college. And he kept signing and signing, semester after semester, year after year, until he graduated. He graduated from this for-profit school with $90,000 of debt—$90,000.

He works several jobs, almost 80 hours a week, so he can pay his monthly student loan payments, which are $1,000 a month, right off the top.

His student debt is a constant burden for him and his family. He owns a home, and he thinks he is going to lose it because of the student loans. He decided to try to file for bankruptcy because he was in debt so deeply, but he learned the hard way that the bankruptcy court cannot help him when it comes to student loans.

Ramon says he wishes he had not gone to college at all; that he was better off before he got that deeply in debt. Now he is at a community college—a community college—trying to get an education because the $90,000 in the for-profit college turned out to be a waste of time. He is now where he should have started.

Students who are not sure, start at a community college. You are near home. You can commute. They offer a lot of options. They are not expensive. You will learn a lot about yourself, about your education, and your dreams by sitting in those classrooms and going through community college courses. After a year or two, if it sounds right and feels good for you, it is time to move on to another college or university, and you will move on to that third year of college without a lot of debt. Start at a community college.

Ramon ended up at a community college finally trying to get the education the for-profit school failed to give him. He says he wishes he had known that at the beginning—starting at that community college instead of the American Intercontinental University. Then, he says, he would have received the same education but without $90,000 of debt.

Why does he have so much debt? According to a recent committee report in the Senate, the American Intercontinental University costs 250 times more than a nearby community college—250 times more.

Federal student aid cannot cover the tuition costs, so students are forced to turn from Federal student aid, government loans, which are low-interest loans, to private student loans, which are high-interest loans. Some students do not know, as they are sitting there, the differences between a 3.2-percent annual rate of interest and an 18-percent annual rate of interest, and that can be the difference between a government loan and a private loan.

To put it in shorthand from someone who has paid off loans, the higher the interest rate, the more your monthly payment is going to the bank rather than reducing the amount of money you owe.

Federal student aid cannot cover the tuition costs. The private loans are signed up for, and they do not come with any consumer protections. Government loans do. Government loans allow you to consolidate. Sometimes they take into consideration the job you end up with in life. Sometimes there is forgiveness of government student loans. It is a much more flexible, low-cost program than private student loans.

Sometimes students will need private student loans, but for-profit colleges are using these private student loans for another important reason to them. For-profit colleges encourage students to take out private loans, at least in part, because private loans allow these schools to continue to get more Federal funds. It is a complicated formula, but in order to get the maximum amount of Federal dollars, the for-profit schools push kids into private loans even when they are still eligible for the better government loans.

The rule I am talking about is the 90/10 rule which requires for-profit colleges to receive at least 10 percent of their revenues from sources other than the Federal Government—10 percent of their revenues from sources other than the Federal Government.

If you took the Federal money we send to for-profit schools in America—roughly $32 billion a year—if you took that money and translated it into a Federal budget, for-profit colleges in America would be the ninth largest Federal agency—$32 billion going to this sector of the economy.

When they push the kids into the private loans that are not as good, not as generous, much more expensive, that covers the 10 percent they have to come up with in real money as opposed to government money. It means that 90 percent of the revenue of these extremely profitable schools comes right out of the Federal Treasury.

Even though for purposes of this rule Federal revenue includes only funds from the Department of Education's Federal student aid programs—GI bill funds, for example, are not even considered Federal funds—many for-profit schools are close to 90 percent of their revenue coming from the Federal Government. If you add in GI bill funds, sometimes it is closer to 100 percent.

Where is the accountability? If these schools are dragging kids deeply into debt, if the kids are defaulting at rates twice as fast and twice as serious as those going to public and private schools, where is our responsibility? How is a student—a high school student in Illinois or in North Dakota—supposed to know whether that Web site about that college is true?

How would they know when that school says ''we are accredited,'' that the accreditation is phony? Most of these for-profit schools belong to an organization that accredits all the schools that are for-profit schools. They take care of one another. They ignore the obvious when these schools are failing the students and their families.

The Federal aid is keeping the doors open for these for-profit schools. Can we afford that? Can we afford to get students across America deeply into debt for a largely worthless education? Do we have that much money sloshing around here in Washington when it comes to helping students get through school?

That is why the President's statement last night about student debt, about the rising college costs, and a scorecard for colleges and universities is right spot on. It is time we tell families across America the truth about colleges and universities, and it is time for those same colleges and universities to wake up to a reality. The reality is the sky is not the limit when it comes to the cost of higher education.

I have talked to a number of them—respected institutions—that give good degrees, good diplomas, and I have told them the same thing: You just cannot keep raising the cost of higher education. Middle-income families, working families do not have a chance. Madam President, $20,000, $30,000, $40,000 a year to go to school? It is just something that ordinary families cannot even consider.

Congress needs to act now to stop this for-profit school industry from exploiting students and their families and taxpayers. Why we are spending so much money—money we can no longer afford—to subsidize these highly profitable schools is beyond me. I cannot explain it.

These schools that leave these kids high and dry break my heart. Every time I fly out to O'Hare Airport, on the Kennedy Expressway in Chicago, right before I get to the Cumberland exit, I look up at one of these office buildings, and up there in big, bold letters is ''Westwood College.'' Wow, the campus of Westwood College.

I know a little bit about that college. I have met students who have gone to that college, and let me tell you, I want to put a sign right under there that says, ''Please Avoid This Ripoff.''

A young lady who went to Westwood College testified in Chicago. She watched a lot of shows on TV about forensic criminal investigation, and she wanted to get into criminal investigation. She signed up at Westwood College. It took her 5 years to finish.

When she finished, she had a debt of $90,000. But she wanted a degree in law enforcement. She wanted to be on CSI in the real world. Guess what happened. She went to every law enforcement agency in the Chicagoland area, and they pushed it back and said: Westwood is not a real college. You have wasted your time—5 years—and your money.

Here she sits now living in her parents' basement at a time in life when she thought she would be starting her own career, her own life. What is she doing? She is paying back a loan for a worthless education from Westwood College.

I have been after these folks for a long time. They exploit these kids day in and day out. Sadly, we subsidize them. We send them millions of dollars in Federal funds to continue this exploitation of students.

This has to come to an end. This is not the kind of thing we need to encourage if America is going to have well-educated and trained students so they have good lives and America continues to prosper.

One of my colleagues, Senator TOM HARKIN of Iowa, has been a leader on this issue. As chairman of the HELP Committee, he has had hearings on for-profit schools, and I commend them to anyone interested in this subject. Take a look at TOM HARKIN's hearings. I could go on for a long time—TOM could too—about the schools across America that are exploiting students.

We owe it to the students to tell them the truth. We owe it to their parents. And we beg teachers and high school counselors and others, who really care about young people: Look long and hard at these for-profit schools before you recommend them to a student.

I encourage all my colleagues to take a look at legislation that TOM HARKIN and I have introduced. We are trying to drop the Federal subsidy to these for-profit schools just a small bit. It will be hard to do. These for-profit schools are pretty powerful in Washington. But if we are going to do our job to protect families and students across America—following the President's lead from his State of the Union address to make sure we are sensitive to student loans, student indebtedness, that we hold colleges and other training institutions accountable for what they are doing to and for students—it is time for us to turn the page and join the President.

The President's speech last night is a challenge to all of us on both sides of the aisle, both sides of the Rotunda, to take this student debt crisis seriously.

Madam President, I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. BALDWIN). Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that at 2 p.m. today the Senate proceed to executive session to consider Calendar No. 8, the nomination of William J. Kayatta, to be circuit judge for the First Circuit, with 30 minutes for debate, equally divided in the usual form; that upon the use or yielding back of time, the Senate proceed to vote without intervening action or debate on the nomination; the motion to reconsider be considered made and laid on the table, with no intervening action or debate; that no further motions be in order; that President Obama be immediately notified of the Senate's action, and the Senate then resume legislative session.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COATS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATE OF THE UNION REACTION

Mr. COATS. Madam President, last night President Obama had the opportunity to present to the American people a plan envisioned for how he plans to strengthen the state of our Union.

While I am pleased he finally turned his focus back to the ongoing jobs crisis in our country, I was left feeling disappointed and frustrated that the President continued to call for higher taxes to pay for more and more government spending.

I don't believe the President acknowledges—or at least he didn't last evening—the seriousness of our debt and fiscal crisis. We are nearly $16.5 trillion in debt, and $6 trillion of that